

NEW IBERIA CITY MARSHAL
NEW IBERIA, LOUISIANA

Financial Report

Year Ended June 30, 2011

NEW IBERIA CITY MARSHAL

Financial Report
As of and for the Year Ended June 30, 2011

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ACCOUNTANT'S COMPILATION REPORT

Mr. Victor Delcambre, City Marshal
NEW IBERIA, LOUISIANA

I have compiled the accompanying financial statements of the governmental activities of the NEW IBERIA CITY MARSHAL, a component unit of the City of New Iberia, Louisiana as of and for the year ended June 30, 2011, which collectively comprise the Marshal's basic financial statements as listed in the foregoing table of contents. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the New Iberia City Marshal, is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. I have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

The New Iberia City Marshal has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

R. Perry Templeton

New Iberia, LA
December 28, 2011

Basic Financial Statements

Government-Wide Financial Statements

NEW IBERIA CITY MARSHAL
NEW IBERIA, LOUISIANA

STATEMENT OF NET ASSETS

June 30, 2011

ASSETS

Cash	\$ 101,560
Accounts Receivable	4,120
Capital Assets, net of Accumulated Depreciation	<u>-</u>
Total Assets	<u>105,680</u>

LIABILITIES

-

NET ASSETS

Invested in Capital Assets	-
Unrestricted	<u>\$ 105,680</u>
Total Net Assets	<u>\$ 105,680</u>

See accountant's compilation report.
See notes to financial statements.

NEW IBERIA CITY MARSHAL
NEW IBERIA, LOUISIANA

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2011

Governmental Activities:

Expenditures

Auto expense	\$ 14,539
Outside Services	41,450
Marshal's Salary	49,813
Marshal's Retirement and Benefits	13,948
Office Supplies	856
Dues, Seminars and Insurance	11,747
Other Miscellaneous Expenditures	1,938
Legal and Accounting	<u>2,529</u>
Total Expenditures	<u>136,820</u>

Program Revenues:

Service Fees	<u>73,265</u>
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Excess (Deficiency) of Revenues Over Expenditures-
Governmental Activities

(63,555)

General Revenues:

Intergovernmental On Behalf Payments	<u>63,760</u>
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Change in Net Assets (Decrease) 205

Net Assets – Beginning of Year 105,475

Net Assets – End of Year \$ 105,680

See accountant's compilation report.
See notes to financial statements.

Fund Financial Statements

NEW IBERIA CITY MARSHAL
NEW IBERIA, LOUISIANA

BALANCE SHEET – GOVERNMENTAL FUNDS

June 30, 2011

ASSETS

Cash (Note 4)	\$ 101,560
Due from City Court of New Iberia	<u>4,120</u>

Total Assets	<u>\$ 105,680</u>
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FUND BALANCE (Unassigned)	<u>\$ 105,680</u>
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See accountant's compilation report.
See notes to financial statements.

NEW IBERIA CITY MARSHAL
NEW IBERIA, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUND

For the Year Ended June 30, 2011

REVENUE	
Service Fees	\$ 73,265
Intergovernmental	
On Behalf Payments	<u>63,760</u>
Total Revenue	<u>137,025</u>
EXPENDITURES	
Capital Outlay	-
Current	
Automobile Expense	14,539
Outside Services	41,450
Marshal's Salary	49,813
Marshal's Retirement and Benefits	13,948
Office Supplies & Printing	856
Legal & Accounting Costs	2,529
Dues, Meetings, & Insurance	11,747
Other Miscellaneous Costs	<u>1,938</u>
Total Expenditures	<u>136,820</u>
EXCESS OF REVENUE OVER EXPENDITURES	205
FUND BALANCE, BEGINNING OF YEAR	<u>105,475</u>
FUND BALANCE, END OF YEAR	<u>\$ 105,680</u>

See accountant's compilation report.
See notes to financial statements.

Notes to the Financial Statements

NEW IBERIA CITY MARSHAL
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. BASIS OF PRESENTATION - The accompanying financial statements for the New Iberia City Marshal have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*, Issued in June 1999.
- B. FINANCIAL REPORTING ENTITY – The New Iberia City Marshal consists of One Marshal who is elected by the voters of the City of New Iberia and serves a six year term. The duty of the office of the Marshal is to provide legal service and security for the New Iberia City Court as needed. The Marshal has no employees but has five individuals who are outside contractors and work on an as needed basis. As an independently elected official, the Marshal is solely responsible for the operations of his office, which include the hiring or retention of employees, responsibility for deficits, and the receipt and disbursement of funds.

Statement No. 14 of the GASB established the following criteria for determining if a governmental entity is a primary government or a component unit of a primary government:

- a. It has a separately elected governing body.
- b. It is legally separate.
- c. It is fiscally independent of other governments.

Because certain operating expenditures of the Marshal are paid or provided by the City of New Iberia, the New Iberia City Marshal is considered a component unit of the City of New Iberia in accordance with the provisions of GASB Statement No. 14.

The accompanying financial statements present information only on the funds maintained by the Marshal and do not present information on the City of New Iberia, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

NEW IBERIA CITY MARSHAL
NOTES TO FINANCIAL STATEMENTS
(continued)

C. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS –

The Marshal's basic financial statements include both government-wide (reporting the Marshal as a whole) and fund financial statements (reporting the Marshal's major fund). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. All of the Marshal's activities are classified as governmental activities.

In the government-wide Statement of Net Assets, the governmental activities column (a) is presented on a consolidated basis, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Marshal's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Marshal first utilizes restricted resources to finance qualifying activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include bond forfeitures, drug seizures, equitable sharing receipts and fees and commissions.

This government-wide focus is more on the sustainability of the Marshal as an entity and the change in the Marshal's net assets resulting from the current year's activities.

BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS – The financial transactions of the Marshal are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Marshal:

GOVERNMENTAL FUNDS – The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Marshal:

General Fund – This type of fund is the general operating fund of the Marshal. The General Fund is financed through court costs and commissions as well as bond forfeitures earned by the Marshal. Resources of the fund are used to supplement the cost of operating the Marshal's office.

NEW IBERIA CITY MARSHAL
NOTES TO FINANCIAL STATEMENTS
(continued)

D. BASIS OF ACCOUNTING - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual:

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

E. CAPITAL ASSETS - Capital assets are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant and equipment is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Office Equipment	5-7
Furniture and Fixtures	10

F. EQUITY CLASSIFICATIONS - In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

NEW IBERIA CITY MARSHAL
NOTES TO FINANCIAL STATEMENTS
(continued)

- b. Restricted net assets – Consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. The New Iberia City Marshal adopted GASB Statement 54 for the year ended June 30, 2011. As such, fund balances of the government funds are classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Marshal, which is the highest level of decision-making authority for the New Iberia City Marshal.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
- e. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the New Iberia City Marshal considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the New Iberia City Marshal considers amounts for have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the New Iberia City Marshal has provided otherwise in its commitment or assignment actions.

G. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

NEW IBERIA CITY MARSHAL
NOTES TO FINANCIAL STATEMENTS
(continued)

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net assets*. One element of that reconciliation explains that "capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds." The details of the \$0 difference are as follows:

Capital Assets	\$ 12,323
Accumulated Depreciation	<u>12,323</u>
Net Adjustment to Increase <i>Fund Balance-Total Governmental Funds</i> to Arrive at <i>Net Assets-Governmental Activities</i>	\$ <u>-</u>

- H. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances-total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Depreciation Expense	\$ -
Capital Outlay	<u>-</u>
Net Adjustment to Decrease <i>Net Changes in Fund Balances-Total Governmental Funds</i> to Arrive at <i>Changes in Net Assets of Governmental Activities</i>	\$ <u>-</u>

- I. CASH & CASH EQUIVALENTS - Cash includes amounts in demand deposits. Under state law, the New Iberia City Marshal may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.
- J. COMPENSATED ABSENCES - The New Iberia City Marshal has no policy relating to vacation and sick leave.

NEW IBERIA CITY MARSHAL
NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 2: CAPITAL ASSETS

A summary of general fixed assets follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, Being Depreciated:				
Equipment	\$10,504	\$ -	\$ -	\$10,504
Furniture and Fixtures	<u>1,819</u>	<u>-</u>	<u>-</u>	<u>1,819</u>
Total Capital Assets Being Depreciated	12,323	-	-	12,323
Less Accumulated Depreciation for:				
Equipment	10,504	-	-	10,504
Furniture and Fixtures	<u>1,819</u>	<u>-</u>	<u>-</u>	<u>1,819</u>
Total Accumulated Depreciation	<u>12,323</u>	<u>-</u>	<u>-</u>	<u>12,323</u>
Total Capital Assets, Being Depreciated, Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTE 3: PENDING LITIGATION

The City Marshal was not involved in any material lawsuits at June 30, 2011.

NOTE 4: CASH AND CASH EQUIVALENTS

At June 30, 2011 the carrying amount of the City Marshal's deposits is \$101,560 and the bank balance is \$108,668. These deposits are secured from risk by federal deposit insurance.

NOTE 5: ON BEHALF PAYMENTS FOR SALARIES AND BENEFITS

The City Marshal follows GASB Statement No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance". This standard requires the City Marshal to report in the financial statements on-behalf salary and fringe benefits payments made by the City of New Iberia to the Marshal.

Supplementary salary payments are made by the City directly to the City Marshal. The City Marshal is not legally responsible for this salary supplement. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the City. For the fiscal year ended June 30, 2011 the City paid \$63,761 in supplemental salary and benefit payments to the City Marshal.

NEW IBERIA CITY MARSHAL
NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 6: LEASES

The New Iberia Marshal has an operating lease on an automobile. Lease payments were \$6,230 for the year. The following is a schedule by years of future minimum rental payments required under the operating lease.

Year Ending June 30,	Amount
2012	6,230
2013	5,711
2014	-
2015	-
2016	-
Total minimum payments required	\$ 11,941

NOTE 7: PENSION PLAN

The New Iberia City Marshal is a participant in the Municipal Employees' Retirement System (MERS) of Louisiana, a multiple-employer public employee retirement system.

All permanent City employees who work at least 35 hours a week, not participating in another public funded retirement system and are under 60 years of age are members of the plan. Members of the plan may retire with thirty years of creditable service regardless of age, with twenty-five years of service at age 55, and with 10 years of service at age 60. The retirement allowance is equal to 3% of the member's final compensation multiplied by his years of creditable service, with certain provisions made for those employees who were members of the supplemental plan only prior to its revision date. Their retirement allowance may not exceed the greater of 100% of a member's final salary or compensation. The system also provides disability and survivor benefits. Benefits are established by the State statute.

State statute requires covered employees to contribute 9.25% of their earnings to the plan. The City of New Iberia contributes a percentage to the plan as employer only for the portion of compensation the City Marshal receives from the City.

Although contributions are determined by State statute rather than actuarial calculations, actuarially required contributions are determined for the System, but not separately for the New Iberia City Marshal. For the year ended June 30, 2011 the City Marshal's portion was 14.25%.

NEW IBERIA CITY MARSHAL
NOTES TO FINANCIAL STATEMENTS
(continued)

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligation for individual employers.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 2011 comprehensive annual financial report. The City of New Iberia does not guarantee the benefits granted by the System.

NOTE 8: OTHER POST RETIREMENT BENEFITS

The New Iberia City Marshal provides no post retirement benefits.

NOTE 9: ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 10: SUBSEQUENT EVENTS

Subsequent events were evaluated through December 28, 2011, which is the date the financial statements were available to be issued. As of December 28, 2011, there were no subsequent events noted.

Required Supplementary Information

NEW IBERIA CITY MARSHAL
NEW IBERIA, LOUISIANA

BUDGETARY COMPARISON SCHEDULE

For the Year Ended June 30, 2011

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	
REVENUE				
Service Fees	\$ 70,000	\$ 70,000	\$ 73,265	\$ 3,265
Intergovernmental	<u>63,000</u>	<u>63,000</u>	<u>63,760</u>	<u>760</u>
On Behalf Payments				
Total Revenue	<u>133,000</u>	<u>133,000</u>	<u>137,025</u>	<u>4,025</u>
EXPENDITURES				
Capital Outlay	-	-	-	-
Current				
Automobile Expense	12,000	12,000	14,539	(2,539)
Outside Services	40,000	40,000	41,450	(1,450)
Marshal's Salary	50,000	50,000	49,813	187
Marshal's Retirement and				
Benefits	15,000	15,000	13,948	1,052
Office Supplies & Printing	3,000	3,000	856	2,144
Legal & Accounting Costs	2,000	2,000	2,529	(529)
Dues, Meetings, & Insurance	10,000	10,000	11,747	(1,747)
Other Miscellaneous Costs	<u>1,000</u>	<u>1,000</u>	<u>1,938</u>	<u>(938)</u>
Total Expenditures	<u>133,000</u>	<u>133,000</u>	<u>136,820</u>	<u>(3,820)</u>
EXCESS OF REVENUE OVER EXPENDITURES	-	-	205	205
FUND BALANCE, BEGINNING OF YEAR	<u>105,475</u>	<u>105,475</u>	<u>105,475</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 105,475</u>	<u>\$ 105,475</u>	<u>\$ 105,680</u>	<u>\$ 205</u>

See accountant's compilation report.
See notes to financial statements.

NEW IBERIA CITY MARSHAL
NEW IBERIA, LOUISIANA

Corrective Action Plan for
Current Year Findings
For the Year Ended June 30, 2011

<u>Ref. No.</u>	<u>Description Of Finding</u>	<u>Corrective Action Planned</u>	<u>Names of Contact Persons</u>	<u>Anticipated Completion Date</u>
	Section I –Internal Control and Compliance Material to the Financial Statements			
	None			
	Section II – Management Letter			
	None			

NEW IBERIA CITY MARSHAL
NEW IBERIA, LOUISIANA

Summary Schedule of Prior Findings
For the Year Ended June 30, 2011

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description Of Finding</u>	<u>Corrective Action Taken (Yes, No, Partial)</u>	<u>Planned Corrective Actual/Partial Corrective Action Taken</u>
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Section I –Internal Control and Compliance Material to the Financial Statements

None

Section II – Management Letter

None